



**Comptroller General
of the United States**

Washington, D.C. 20548

Decision

Matter of: GAI
File: B-241465
Date: October 15, 1990

Howard A. Pollack, Esq., Braude & Margulies, P.C., for the protester.
Catherine M. Evans, Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest that bid is unbalanced because it contains decreasing option year prices is dismissed where bid does not contain corresponding overstated charges and therefore is not unbalanced; protest of unreasonably low prices is essentially a matter of bidder responsibility which General Accounting Office generally does not review.

DECISION

GAI protests the award of a contract to Oneida Abatement, the apparent low bidder under invitation for bids (IFB) No. DACA31-90-B-0140, issued by the U.S. Army Corps of Engineers for asbestos abatement. GAI alleges that Oneida's decreasing prices over the option periods render the bid unbalanced and therefore nonresponsive to the solicitation.

We dismiss the protest.

The IFB required bidders to provide firm, fixed prices for a base year and each of 4 option years. Oneida and GAI bid as follows:

	<u>Oneida</u>	<u>GAI</u>
Base year	\$ 932,755	\$ 913,557
Option 1	749,518	959,234
Option 2	727,287	1,004,414
Option 3	650,977	1,051,090
Option 4	451,165	1,096,268
TOTAL	\$3,511,702	\$5,024,563

GAI argues that Oneida's decreasing prices over the option years are internally inconsistent with its base year price, rendering the bid unbalanced. GAI further maintains that

Oneida's option year prices are "per se unreasonable." Both arguments are without merit.

Before a bid can be rejected as unbalanced, it must be found both mathematically and materially unbalanced. A bid is mathematically unbalanced where it is based on nominal prices for some of the items and overstated prices for other items. Thus, in order to prove that a bid is mathematically unbalanced, the protester must offer evidence that the bid contains both understated and overstated prices. OMSERV Corp., B-237691, Mar. 13, 1990, 90-1 CPD ¶ 271. As GAI does not allege that Oneida's bid contained any overstated prices, its assertion that Oneida's bid is unbalanced is without merit. To the extent that GAI finds Oneida's option prices unreasonably low, there is nothing legally objectionable in the submission of a below-cost bid. Atlantic Maintenance, Inc., B-239621.2, June 1, 1990, 90-1 CPD ¶ 523. Whether Oneida can perform at its offered price is a matter of the firm's responsibility, which we will not review absent circumstances not present here. 4 C.F.R. § 21.3(m)(5) (1990); ALM, Inc., B-225679.3, May 8, 1987, 87-1 CPD ¶ 493.

The protest is dismissed.



John M. Melody
Assistant General Counsel